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UNITED STATES POSTAL ADDRESS
USAID/KAMPALA
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20520

INTERNATIONAL POSTAL ADDRESS
P. O. BOX 7007
KAMPALA, UGANDA.

September 17, 1986

Mr. Glenn Porter
Country Representative
CARE/Uganda
P.O. Box 7280
Kampala, Uganda

Dear Mr. Porter:

Subject: Grant No. 617-0109-G-00-6001-00, Uganda West Nile Agricultural Rehabilitation Project

I am pleased to inform you that, pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to CARE the sum of \$4,361,717 to provide support for a program in agricultural rehabilitation for refugee resettlement in the Arua and Moyo Districts of Uganda, as described in the Schedule of this grant and Attachment 2, entitled "Program Description."

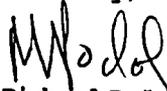
This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives beginning 1 May, 1986 through 30 April, 1990. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to AID.

The total estimated for this Grant is \$4,361,717 which is hereby obligated. AID shall not be liable for reimbursing the Grantee for costs in excess of the obligated amount.

This grant is made to CARE on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "The Schedule," Attachment 2, entitled "Program Description," and Attachment 3, entitled "Standard Provisions." which have been agreed to by your organization.

Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the grant, and return the original and six (6) copies to the USAID.

Sincerely,



Richard Podol
Mission Director
USAID/Kampala

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

CARE/Uganda

BY: [Signature]

TITLE: Country Director

DATE: 09/18/86

FISCAL DATA

Appropriation : 72-11X1035

Budget Plan Code : GFDX-86-21617-HG43

PIO/T No. : N/A

Project No. : 617-0109

Total Estimated Amount : \$4,361,717

Total Obligated Amount : \$4,361,717

Funding Source : Supplemental Appropriations Act of 1983

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THE SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for the West Nile Agricultural Rehabilitation Project, as more specifically described in Attachment 2 to this Grant, entitled "Program Description."

B. Period of Grant

1. The period of the grant is from 1 May, 1986 through 30 April 1990.
2. Funds obligated hereunder are available for program expenditures for the estimated period 1 May 1986, to 30 April, 1990, as shown in the Financial Plan below.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1. above is \$4,361,717.
2. AID hereby obligates the amount \$4,361,717 for program expenditures during the period set forth in B.2. above and as shown in the Financial Plan below.
3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provision entitled "Payment - Letter of Credit."

D. Financial Plan

The following is the Financial Plan for this Grant, including local cost financing items, if authorized. Revisions to this Plan shall be made in accordance with Standard Provision of this Grant, entitled "Revision of Grant Budget."

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Illustrative Financial PlanPROJECT EXPENDITURES BY YEAR

<u>FUNDING CATEGORY</u>	<u>PROJECT YEARS</u>				<u>USAID/</u>	<u>GOU</u>
	<u>YR 1</u>	<u>YR 2</u>	<u>YR 3</u>	<u>YR 4</u>	<u>EIL/CARE</u>	<u>TOTAL</u>
Procurement:					<u>TOTAL</u>	
Project Vehicles	186,500	-0-	-0-	-0-	186,500	-0-
Operations:						
Parts, Fuel Lubricants	75,000	101,000	114,920	76,000	366,920	-0-
National Staff	76,570	54,760	46,452	55,742	233,524	-0-
International Staff	297,759	295,135	131,151	134,062	858,107	-0-
Operational Expenses	235,280	24,379	24,180	4,180	288,019	-0-
Technical Assistance	17,065	40,000	30,000	11,000	98,065	-0-
Evaluation	25,000	25,000	25,000	25,000	100,000	-0-
CARE/EIL Kampala Fixed						
Project Costs	247,314	232,000	126,000	114,000	719,314	-0-
CARE HQ Overhead						
10.34% (Cumulative)	221,482	112,750	54,120	45,100	433,452	-0-
Activities:						
One - Ag. Kits	34,600	-0-	-0-	-0-	34,600	-0-
Two - Ag. Commodities	108,000	50,000	25,000	25,000	208,000	-0-
Three - Forestry	72,000	11,000	1,000	1,000	85,000	166,000
Four - Ag. Extension	70,000	10,000	-0-	-0-	80,000	153,000
Five - Dist Farm Inst.	484,609	200,605	25,000	25,000	735,214	90,000
Six - Feeder Roads	65,000	-0-	-0-	-0-	65,000	25,000
Seven - Rural Water Supply	432,000	177,535	-0-	-0-	609,535	68,000
Contingency and Inflation:	110,467	50,000	50,000	50,000	260,467	112,000
TOTAL:	2,758,646	1,384,164	652,823	566,084	5,361,717	614,000

Total Contributions By Agency:

USAID	4,361,717
EIL	333,333
CARE	666,667
GOU	614,000
TOTAL:	5,975,717

E. Reporting and Evaluation

Trimesterly progress reports will be submitted to USAID/Kampala. These reports will be both financial and technical in nature. The financial section will briefly document expenditures made to date as well as projected expenditures for the coming month, along with comparisons of these expenditures to original planning figures. Included as part of these reports will be the submission of a Financial Status Report (SF 269) and a Federal Cash Transactions Report (SF 272). These financial reports will be submitted within thirty days after the end of each trimesterly reporting period.

The technical section of the trimesterly report will focus on substantive project progress made relative to proposed time schedules in the preceeding trimester and major activities planned for the coming trimester. Documentation of project progress made in the preceeding trimester will be organized on an activity by activity basis and will be keyed to the annual action plans' proposed objectives. Where progress is not as expected, trimesterly reports will include an explanation.

For most of the life of project, trimesterly monitoring will be sufficient to evaluate the project's progress at the output and purpose levels. As the project nears completion, evaluation of subgoal and goal level achievements will become more important. Sample surveys of crop production and productivity and of input availabilities should be made at the project's outset to ensure that baseline data is available for comparison at the end of the project. The District Agriculture Offices already keep seemingly very thorough and accurate records; all that may be necessary is to ensure adequacy of the nature of the data collected and verify its accuracy and completeness. As the project reaches completion, another survey of production and productivity and of input availability will be repeated and the two survey's results compared and analyzed. In addition, selected interviews with farmers and officials throughout the project area will have to be carried out in order to establish the reasons for any change/lack of change in production and productivity over the project period. This evaluation will be formed by a three-person team no less than three months prior to project completion.

F. Special Provisions

(1) This grant addresses the short and medium term rehabilitation needs of repatriating refugees. As such, circumstances in the project area are subject to change over time and, with them, project responses. For this reason, the grantee is authorized up to 20% flexibility between line items in the budget.

G. Overhead Rate

The Grantee's established headquarters overhead rate is 10.34% of total project funding. The grantee's local office overhead is currently 17.1% of total project funding. Thus, total overhead costs are approximately 27.4%.

II. Title to Property

Property procured by CARE on behalf of AID under this grant will be titled to CARE. Upon completion of the project, project property will be selectively transferred to the Government of Uganda in accordance with the Standard Provisions entitled "Title to and Care and Use of Property (Grantee Title)" and "Title to and Use of Property (Cooperating Country)."

I. Authorized Geographic Code

The authorized geographic code for procurement of goods and services under this grant is, in order of preference, (1) the United States (000); (2) host country or geographic code 941; (3) geographic code 935. Procurement of commodities and services having source, origin or nationality other than in the United States, Host Country, or other countries included in AID Geographic Code 941 will be based on a justification demonstrating substantive conformity with AID regulatory source/origin/nationality waiver criteria.

This provision amends the terms of optional Standard Provision 7b, AID Eligibility Rules for Goods and Services, appended to this Grant.

J. Covenants

(1) CARE will agree that no advance of grant funds will be requested or grant funds expended with the exception of expenditures for pre-implementation costs, Chief of Party salary, and support costs necessary to concluding any agreements required by a condition precedent to or covenant of the Grant until an executed agreement between CARE and the Government of Uganda has been presented to AID, in form and substance satisfactory to AID, which details the project elements and the respective duties, rights and obligations of the Parties in implementing the Project.

(2) CARE will provide annual work plans and budgets to USAID/Kampala prior to July 31 of each year of implementation after the first year (for which the action plan will be submitted three months after the signing of the Grant).

(3) CARE will agree to consult with AID engineering staff in connection with the development of the first annual work plan and budget prior to its finalization.

(4) A.I.D. Guidelines for Water and Sanitation Small Scale Projects will be taken into consideration by CARE in the design and implementation of Activity 7 (rural water supply).

(5) CARE will furnish to AID trimesterly progress reports on Project activities. The final trimesterly report of each year will include an annual review of the actual targets (both technical and financial) accomplished in relation to the planned activities and descriptive explanations of any deviations.

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PROGRAM DESCRIPTION

Project Strategy

The strategy of the proposed project is to complement ongoing relief efforts in the West Nile Province with short to medium-term investments which can accelerate the process by which returnees once again become productively employed and self-reliant. The fundamental prerequisite for the success of this strategy is the continued stability of the area. The Arua district, which is the largest and most populous district in the Province, has maintained stability and security for the longest period of time. Consequently, the project's headquarters will be in Arua. This is also important given the projected influx of West Bank refugees the remainder of this year and early 1987. Activities, however, will be undertaken in both Arua and Moyo districts--some simultaneously as in the instance of forestry and road repair, and others sequentially.

Another aspect of the project strategy is, from the start, to build upon existing Government of Uganda institutions and local organizations. The GOU's participation in the implementation of project activities is required both to provide the necessary skills and also to re-inforce the GOU's commitment towards the long-term development of the returnees.

Finally, the project will utilize the area's rich agricultural resources and those agricultural institutions and supporting infrastructure which are still operational as the vehicle for improving the lives of the people re-establishing residency in the West Nile.

Project Goal and Sub-goal

The goal of the proposed project is to assist the residents of the West Nile province to resume self-reliant, productive economic activities. The successful attainment of this goal will mean that the area will be transformed from a net drain on national and international resources to one that productively contributes to national reconstructions. More directly, the successful implementation of this project will lead to increased incomes and a general improvement in the standard of living in the project area.

The sub-goal of the project is to increase production and productivity of selected agriculture and related services in the project area.

Project Purpose

There are a combination of competent farmers and administrative and institutional expertise already in place in the West Nile. There are, however, two problems which pose the most serious obstacles to increasing agricultural production: 1) a critical shortage of agricultural inputs available at farm level; and 2) a lack of infrastructure required to mobilize

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agricultural expertise at the local level. So as to directly address these two problems, the project purpose is to increase the quantity and improve the quality of agricultural inputs and services available to refugees returning to the West Nile.

As a result of the project, the following end products are expected:

1. There will be an adequate supply of physical agricultural inputs available for returnees in the West Nile;
2. Agricultural extension and training services will be operational and available to returnees; and
3. Basic agricultural marketing infrastructure will be rehabilitated.

These, in turn, will provide the necessary environment for returnees to profitably re-establish their farming activities, increase overall agricultural production, and become self-supporting.

Project Outputs

In order to achieve these results, a series of activities are planned. These activities are, on the whole, designed to be simple and straight forward so as to reduce the managerial requirements and to deliver results as quickly as possible. Given the high priority need for all activities, most will begin more or less simultaneously at the start of the project. CARE has given special attention to the staffing and management of these activities to ensure full and complete coverage of all implementation requirements.

OUTPUT 1:- ADEQUATE SUPPLIES OF AGRICULTURAL INPUTS ARE AVAILABLE FOR RETURNEES

- A. Activity One: Material Grants to Returnees: Under this activity returnees who have maintained at least 6 months residence in the West Nile province since September 1985 would be eligible for a basic equipment (hoes, axes, and pangas) and seed package which would allow them to grow food crops to feed their family and produce surplus for cash sale. This activity is intended to overcome both the input supply and financing constraints of returnees.

Eligibility for the material grant will be determined through consultation with Lutheran World Federation and other distributory agencies on the basis of:

- i) the genuine interest and need of the returnee to engage in arable agriculture;
- ii) UNHCR returnee records dating back to September 1985; and,
- iii) the demonstration by the returnee that he/she has access to farming land.

The purchase and overall distribution of these supplemental material grants will be the responsibility of CARE/EIL through already established distribution systems.

The estimated cost of this activity is \$ 34,600.

- B. Activity Two: Commercial Distribution of Agricultural Inputs - This activity is intended to support the development of commercial distribution facilities (both cooperatives and private traders) for agricultural inputs. In order to continue and improve the agricultural activities supported by Activity One, there needs to be self sustaining, local sources of agricultural inputs. Presently, commercial supplies of inputs are limited by access to foreign exchange and by the breakdown in commercial supply links caused by the post-war disturbances. The project will import limited supplies of basic agricultural inputs and sell these to the cooperatives, private traders, NGOs and other interested parties. The funds generated by the sale of these inputs will be placed in a special account to underwrite local expenditure costs for other activities. There will be no foreign exchange requirements of the special account.

CARE/EIL will have the overall responsibility for this activity. It is anticipated that within a relatively short period of time, the market system will be suitably revived to increase availability of such commodities locally. Overall costs for this activity are estimated to be \$208,000.

- C. Activity Three: Nurseries - This activity will support the rehabilitation of approximately 12-16 Department of Forestry nurseries to produce fuelwood, fruit tree, and multi-purpose seedlings. Currently only four of these nurseries are operating and even these are producing at far below their capacity due to the lack of basic equipment and nursery materials. This activity will support the production of inputs - seedlings - which are required to restore agricultural production in the West Nile. For example, fuelwood is a critical input for curing the area's most important cash crop - tobacco. The nurseries will furnish seedlings for the re-establishment of tobacco farmer cooperative woodlots. Likewise, the rehabilitation of these nurseries will provide seedlings for various types of on-farm planting including boundary hedgerow and erosion control, individual woodlots for fuelwood and construction poles, fruit and nut tree seedlings for orchards, and barn yard plantings for local consumption and cash sale. Agroforestry techniques will be made available to farmers through the GOV forestry extension staff who will receive additional training and support through CARE's Agroforestry extension program in Kenya and Uganda.

The rehabilitation of these nurseries will be in the first two years of the project. The management and construction requirements of this

activity will primarily be the responsibility of the Department of Forestry staff who are professionally qualified for this task. CARE/EIL personnel will purchase the necessary inputs, disburse cash for laborers, monitor overall progress, and arrange technical training and assistance as necessary. The total cost of the activity is estimated to be \$ 85,000.

OUTPUT 2 - AGRICULTURAL EXTENSION AND TRAINING SERVICES WILL BE OPERATIONAL AND AVAILABLE TO THE RETURNEES

A. Activity Four: Re-equipping Agricultural Extension - This activity will repair and re-equip the Arua and Moyo District Agricultural Extension Offices, repair twelve houses for the County Agricultural Officers, and purchase 100 bicycles for agricultural extension field staff (including forestry and home economic staff). This activity will assist the district extension staff to:

- i) resettle district farmers;
- ii) provide information on the material grant activity;
- iii) offer technical agricultural information including seed varieties and pest control; and
- iv) when necessary, assist in the delivery of agricultural inputs.

CARE/EIL will be responsible for the purchase and delivery of building materials and other commodities as well as the overall monitoring of this activity. The Ministry of Agriculture, represented by the Regional Agricultural Officer, will be responsible for the construction, repair and upkeep of buildings, equipment, and bicycles. This activity is estimated to cost \$ 80,000.

B. Activity Five: District Farm Institutes: This activity will repair and re-equip the District Farm Institute in Arua, and construct and equip the DFI in Moyo. When these two DFI's are operational they will provide agricultural training to returnees and the staff of local agricultural institutions and organizations. Specifically in Arua, repairs will be made to the administrative block, classrooms, dormitory and kitchen facilities, mechanical workshop, farm yard buildings and water system. In Moyo the DFI, which is considerably smaller than Arua, will be constructed from its current foundation level. The facilities will be used to: train returning farmers in improved crop husbandry and farm management techniques; introduce new seed varieties and crops; test and demonstrate improved crop mixes and rotation; and offer courses in management, accounting, storekeeping, and planning for the staff of the cooperatives, primary societies, traders dealing in agricultural inputs, and GOU personnel. In addition, the facility may be used as the headquarters for the project providing office space and equipment for the CARE/EIL staff.

CARE/EIL will be responsible for the overall management and implementation of this activity. This will include the purchase and delivery of the building materials and commodities, undertaking the construction activities related to the repairs, operating and establishing training programs at the mechanical workshop, organizing non-agricultural training programs, and disbursing training funds. The Principal of the DFI will be responsible for all the agricultural training activities which will be undertaken at the facility. The total estimated cost of this activity is \$735,214.

OUTPUT 3:- BASIC AGRICULTURAL INFRASTRUCTURE WILL BE REHABILITATED

- A. Activity Six: Rehabilitation of Agricultural Marketing Roads - This activity will supply hand tools for labor-based road repair. The two organizations who share the responsibility for agricultural marketing roads in the Arua District (Central Government, through the Ministry of Works (MOW), and Local Government, through the District Administration (DA) will participate in this activity. The aim of this activity is to improve the access of farm goods to the central buying facilities in Arua and Rhino Camp.

CARE/EIL will be responsible for purchasing the commodities, assisting the MOW and DA to establish systems for maintenance of the vehicles, and stock-keeping for their spares. The MOW and DA will have the responsibility for meeting the recurrent cost of operating the equipment and providing funds for casual labor. These costs have already been budgeted for the next fiscal year by the respective institutions. This activity is estimated to cost \$65,000.

- B. Activity Seven: Rural Water Supply - This activity will provide supervision, technical assistance, operational expenses and material inputs for a multi-faceted water program consisting of: a) a borehole drilling component using a Ministry of Water Development Ingersole Rand drilling rig and MOW technicians; b) a borehole maintenance component supporting the operational costs of the MOW's borehole maintenance rig; c) a spring protection component implemented through the Ministry of Health's program. Specifically the project will provide a Water Driller, a Borehole Maintenance Supervisor and a Spring Protection Supervisor, material inputs and necessary logistical support to drill and rehabilitate in excess of 100 boreholes and protect 80 springs annually. A community based pump maintenance and waste disposal training program will be included within these activities. CARE/EIL will be responsible for overall supervision of these components of the water program. The total estimated cost of this activity is \$609,535.

Prioritization. CARE/EIL will, as necessary, place the greatest emphasis on activities that address the most basic survival and self-sufficiency needs of returnees, with relatively less emphasis on those activities that affect the somewhat longer-term well being of the returnees. In order of priority, then, CARE/EIL will rank project activities as follows, in descending order of emphasis: material grants, water, construction activities (extension and

DFIs), roads, commercial distribution and nurseries. This priority listing will be used if/when timing and/or funding constrain full implementation of all activities more or less simultaneously and where humanitarian concerns are paramount. If/when timing and/or funding constraints are not imposed, longer term infrastructure rehabilitation will be the priority emphasis of this project.

IMPLEMENTATION PLAN

Responsible Bodies

CARE will act as grantee from USAID. The Government of Uganda (GOU) will act as an in-kind contributor to the Program and as an implementing partner. An Agreement will be finalized between CARE and Experiment in International Living (EIL) for the joint implementation of the project. Both agencies will make a financial contribution to the program.

A subsequent Agreement will be finalized between CARE/EIL and the Government of Uganda concerning the relationship and commitment of the two parties in the implementation of the Program.

Coordinating Structure

CARE/EIL is responsible for the program implementation which include the following activities:

- a) supply of the required international field staff;
- b) liaison with the Government of Uganda;
- c) coordination of all field activities;
- d) administration and accounting for the project activities in the field and in Kampala;
- e) procurement of all material inputs;
- f) trimesterly reporting and submission of statement of accounts to AID.

Management Structure

CARE/EIL will provide necessary representation in Uganda to monitor the implementation of the program and to fulfill the necessary reporting to USAID on program implementation. CARE/EIL will manage the implementation of the program through existing facilities in Kampala and Nairobi for administration, accounts, procurement and logistical support. A support unit will also be established in Arua to provide daily backstopping to the project.

Project activities will be implemented more or less simultaneously, time and funding allowing. It is evident from the budget that the scale of activities one (material grants), two (commercial inputs), and six (feeder roads) are relatively small and require minimal technical and supervisory inputs from CARE/EIL. The remaining four activities are inter-related and complement planned and ongoing development activities in the area. The necessary technical personnel and overall management team will be provided to fully support these activities. They include two full-time and seven short-term
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international staff and up to 50 Ugandan staff. The CARE Country Director in Uganda will have immediate executive authority over the project in consultation with EIL's Regional Coordinator located in Kampala.

It should be mentioned that a potential emergency situation could be sparked in the Sudanese West Bank refugee camps in the near future. This would result in up to 200,000 refugees returning en masse. It can only be an advantage, therefore, for CARE/EIL to be underway with project activities at an early stage in the project to rehabilitate the supporting infrastructure for these returnees. As noted in the foregoing section, if/where time and/or funding constraints prevent simultaneous implementation, CARE/EIL will employ a priority plan of activity implementation.

The Government of Uganda will avail all existing expertise in the form of district officers and their staff to facilitate and assist in the successful implementation of the project's activities. A District Planning Committee will be established in Arua and Moyo districts under the chairmanship of the Special District Administrator comprised of representatives of all relevant ministries, cooperative unions, CARE/EIL and any such party that the committee may unanimously co-opt. These committees will provide guidance to CARE/EIL in carrying out their implementation plan.

Disbursement

Within the provisions under standard OPG regulations, CARE/EIL will have sole responsibility for the utilization of funds for the program.

Disbursement of agricultural implements in the form of material grants and commercial agricultural inputs will be coordinated by CARE/EIL. Returnees eligible for material grants as outlined in cooperation with UNHCR, Lutheran World Federation and other agencies involved in distributing material grants. Commercial parties eligible for support in the form of agricultural implements as outlined in Output 1, Activity 2 will be determined by CARE/EIL in consultation with the District Planning Committees in Arua and Moyo. These will include cooperative unions, primary societies, church groups, private traders, etc.

CARE/EIL will establish and control an activity account for this purpose whereby the funds generated by the sale of these inputs will be used against local shilling project costs and additional purchases will be made against dollars to a value equal to the sale proceeds in shillings. By this system it is possible to carry out the activity without recourse to hard currency bidding.

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Procurement

CARE is well established to handle all procurements for the program through its current logistic sections in Kampala and the US and under an existing duty-free agreement with the GOU. CARE, with EIL's concurrence, will stipulate the necessary procurement procedures as outlined in the "General Provisions for Grant Agreements" which relate to the USAID Standard Provisions for Non-governmental Grantees.

Implementation Narrative-Activities

The project staff of CARE/EIL will implement the activities listed in the narrative below per the program implementation and activity schedules.

Activity One: Material Grant to Returnees

CARE/EIL will procure, monitor and administer the supplemental distribution of the material grants for returnees. CARE/EIL will work in conjunction with and support the ongoing relief programs in the area. Since these grants are supplemental to the original grants the returnees received, CARE/EIL will work through already established distribution systems. After monitoring the specific needs for the returnees, this system will effect a more accurate needs analysis, consequently providing the correct quantities and quality of the most appropriate tools.

The project manager will furnish this information to the procurement staff who will procure and transport these inputs to the project area for distribution to the returnees through appropriate channels.

Activity Two: Commercial Distribution of Agricultural Inputs

CARE/EIL will survey the four cooperatives (West Nile Tobacco Union, Central West Nile Cooperative Union-Cotton, Okiro Coffee Union, and the West Nile Hides and Skins Society), the various private traders, the church organizations, and the agriculture extension agents to obtain an accurate inventory of difficult to acquire farm inputs. With this inventory, quantities and qualities will be determined so that the procurement process can be implemented.

The Project Manager, Assistant Manager and the District Planning Committee will design systems and agreements with the most efficient entities and secure distributors for the retail sale of these inputs. The shilling remunerations for these inputs will be used for the project's local expenditures on a draw-down basis against line items budgeted in US\$. It is probable that at project end this budget will be absorbed within the project or lost through attrition. The project will use these shillings for local expenditures at the 5,000/= bank rate prior to exchanging US\$ dedicated for this activity, thus simplifying administrative backstopping and prolonging this activity.

Activity Three: Nurseries

CARE/EIL will use in-country CARE foresters to evaluate and upgrade the present Department of Forestry's eight nurseries in Arua and designated nurseries in Moyo. CARE/EIL will also evaluate two multiple plantations, estimate future fuelwood requirements and set up a sub-county community nursery/reforestation program in both districts. These foresters will be assigned on a short-term basis with initial inputs and training and frequent monitoring visits. Agroforestry extension techniques will be emphasized through additional training.

Eight nurseries will be renovated within the first project year to address the immediate needs of the forestry department's plantations. An additional eight will be assisted in the second project year. The establishment of sub-county community nurseries will be implemented on the same schedule as the construction of the agriculture extension stations. The project manager or her assistant will coordinate the activities of the foresters, the Department of Forestry, the Agriculture Extension Officer and CARE/EIL construction supervisors to implement this activity.

Activity Four: Re-Equipping Agricultural Extension

CARE/EIL will be responsible for the coordination of building materials, personnel and construction activities in the repair of the agricultural extension district office in Arua and the construction of its eight county agricultural officers' houses in Owaffa, Rhino Camp, Omduparaka, Ovujo, Odumi and eventually in Yumbe and Nyarilo (2). In Moyo district, CARE/EIL will construct 4 agricultural extension stations.

In addition to the basic hard construction program aspects of this activity, transport in the form of bicycles will be furnished, as well as office equipment and materials. The CARE/EIL assistant project manager and the agricultural trainer will design a training program for the county agricultural agents. A short-term training specialist will consequently implement a "training of trainers" program for these agents.

Activity Five: District Farm Institute Rehabilitation

In Arua district CARE/EIL will coordinate the repair of the mechanized agriculture division center. This will include the renovation of the plant, installation of a diesel-generated electrical system and water distribution system. Simultaneously the farmyard will be installed and anew water storage and distribution system put on line. The construction program will include the repair of the Institute's offices, dormitories, dining hall/kitchen, eight houses and canteen. In Moyo district, CARE/EIL will design buildings for the DFI and complete construction by the end of year two. Training of Moyo DFI staff will begin during year two.

The project will furnish the appropriate office equipment, farm tools/implements, demonstration and pedagogic material. At the completion of the construction activities, the CARE/EIL assistant project manager, with the assistance of the Institute principal, will outline a training program for the institute's staff. A short-term training specialist will consequently implement the 'training of trainers' program.

Activity Six: Rehabilitation of Agricultural Marketing Roads

CARE/EIL will assist the District Administration and the Ministry of Works in defining a scope of work that will be effected within the project budget. The maintenance and reconstruction of the secondary farm-to-market roads and primary circulation network will be the responsibility of these respective governmental entities.

CARE/EIL, in consultation with Lutheran World Federation, will verify the appropriateness of the spare parts requested by the GOU, and feasibility of the road maintenance implementation schedule. CARE/EIL will furnish the DA and NOW with handtools for road brigade teams in Arua and Moyo districts.

CARE/EIL will assist the DA and NOW in training personnel and implementing a labor-intensive road brigade maintenance program. CARE/EIL will assess operator training needs and aid in upgrading operational skills with on-the-job training which will complement the mechanized road maintenance program.

Activity Seven: Rural Water Supply

CARE/EIL, in consultation with the Ministry of Water Development department head and other GOU authorities, will define scope of work, design an implementation program and schedule materials and personnel to the rural water supply activity. CARE/EIL will assist the GOU with any and all repairs to borehole drilling and rehabilitation rigs, associated vehicles and equipment.

CARE/EIL will supervise and provide supplemental operating vehicles and materials for three water supply projects in the project area, borehole drilling, borehole rehabilitation/pump replacements/maintenance and spring protection. The output of these projects will approach 100 new boreholes and 100 rehabilitated boreholes per year, 80 springs protected per year and establishment of community based hand pump maintenance system coupled with the promotion of sanitary excreta disposal.

The following charts indicate CARE/EIL's implementation schedules for all seven activities, assuming current timing and full funding are available. In the event that timing and/or funding are constrained, CARE/EIL will emphasize material grants and water activities first and de-emphasize (either slip the time schedule or reduce funding, as necessary) the construction (DFIs and extension), roads, commercial distributions and nurseries activities as circumstances require.

Grant No. 617-0109-G-00-6001-00: Uganda West Nile
Agricultural Rehabilitation Project

OMB Control No. 0412-0510
Expiration Date: 1/31/87

MANDATORY STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES 1/
INDEX OF
MANDATORY STANDARD PROVISIONS

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1. ALLOWABLE COSTS (NOVEMBER 1985)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant, any negotiated advance understanding on particular cost items, and the applicable* cost principles in effect on the date of this grant.

* NOTE: For Educational Institutions use OMB Circular A-21; for all other non-profits use OMB Circular A-122; and for profit making firms use FAR 31.2. and AIDAR 731.2.

2. ACCOUNTING, AUDIT, AND RECORDS (NOVEMBER 1985)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee's financial management system shall provide for the following:

(1) Accurate, current, and complete disclosure for each AID-sponsored project or program in accordance with the reporting requirements of this grant. While AID requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

1/ When these Standard Provisions are used for cooperative agreements, the following terms apply:

"Grantee" means "Recipient"
"Grant" means "Cooperative Agreement," and
"AID Grant Officer" means "AID Agreement Officer."

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(2) Records that identify adequately the source and application of funds for AID-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

(3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

(5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.

(6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.

(7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.

(8) Examinations in the form of audits or internal audits shall be made by qualified individuals that are sufficiently independent of those that authorize the expenditure of AID funds, to produce unbiased opinions, conclusions, or judgments. They shall meet the independence criteria along the lines of Chapter IV, Part B of the U.S. General Accounting Office Publication Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1981 Revision). These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant. It is not intended that each grant awarded to the grantee be examined. Generally, examinations should be conducted on an organization-wide basis to test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of the AID grant. Such tests would include an appropriate sampling of Federal grants and agreements. Examinations will be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. A copy of the audit report shall be furnished to the AID grant officer who shall submit it to AID's Regional Inspector General for Audit. The frequency of these examinations shall depend upon the nature,

size, and the complexity of the activity. These grantee self-examinations do not relieve AID of its audit responsibilities, but may affect the frequency and scope of such audits.

(9) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

(b) The grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives:

(1) until the expiration of three years from the date of termination of the grant;

(2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. AID follows generally accepted accounting practices in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit; and

(3) If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigations, claims or audit findings involving the records have been resolved.

(c) The grantee shall require subrecipients to adopt the standards in paragraph (b) above.

3. REFUNDS (NOVEMBER 1985)

(a) The grantee shall remit to AID all interest earned on funds provided by AID.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds disbursed to but not expended by the grantee at the time of expiration or termination of the grant shall be refunded to AID.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by AID that funds it provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee shall refund such amount to AID.

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4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for the following reasons:

(1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.

(2) The need for additional funding.

(3) The grantee expects the amount of AID authorized funds to exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.

(4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

(5) The grantee intends to contract or subgrant any of the substantive programmatic work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(6) The grantee plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved grant budget.

(7) The grantee plans to transfer funds allotted for training allowances to other categories of expense.

(c) When requesting approval for budget revisions, the grantee shall use the budget formats that were used in the application unless a letter request will suffice.

(d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the grant officer shall review the request and notify the grantee whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the grant officer shall inform the grantee in writing of the date when the grantee may expect the decision. The grant officer shall obtain the project officer's clearance on all such requests prior to communication with the grantee.

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this standard provision, AID determines not to provide additional funds, the AID grant officer will, upon written request of the grantee, terminate this grant

pursuant to the standard provision of this grant, entitled "Termination and Suspension."

(f) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination and Suspension" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified in such notice the new obligated grant total amount.

5. TERMINATION AND SUSPENSION (NOVEMBER 1985)

(a) For Cause. This grant may be terminated for cause at any time, in whole or in part, by the grant officer upon written notice to the grantee, whenever it is determined that the grantee has failed to comply with the conditions of the grant.

(b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the grant officer to the grantee.

(c) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

(d) Suspension: Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law, then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties. Financial settlement of this grant shall be governed by the termination procedures specified in paragraph (c) above.

6. DISPUTES (NOVEMBER 1985)

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In connection with any appeal proceeding under this provision, the grantee shall be given an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or an authorized representative shall be final unless overruled by a court of competent jurisdiction.

7. INELIGIBLE COUNTRIES (NOVEMBER 1985)

Unless otherwise approved by the AID grant officer, no funds will be expended for costs incurred in countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

8. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (NOVEMBER 1985)

No person in the United States, consistent with the laws of the United States, shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this grant on the basis of race, color, national origin, age, handicap, or sex.

9. U.S OFFICIALS NOT TO BENEFIT (NOVEMBER 1985)

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this grant if made with a corporation for its general benefit.

10. COVENANT AGAINST CONTINGENT FEES (NOVEMBER 1985)

The grantee certifies that no person or selling agency has been employed or retained to solicit or secure this grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the grantee for the purpose of securing business. For breach or violation of this certification, AID shall have the right to cancel this grant without liability or, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

11. NO LIABILITY (NOVEMBER 1985)

AID does not assume liability for any third party claims for damages arising out of this grant.

12. AMENDMENT (NOVEMBER 1985)

The grant may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the grant officer and an appropriate official of the grantee.

13. NOTICES (NOVEMBER 1985)

Any notice given by AID or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

(END OF MANDATORY STANDARD PROVISIONS)

OPTIONAL STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

- | | |
|---|-----------------------------------|
| 1. Payment - Letter of Credit | <u> x </u> |
| 2. Payment - Periodic Advance | <u> </u> |
| 3. Payment - Cost Reimbursement | <u> </u> |
| 4. Air Travel and Transportation | <u> x </u> |
| 5. Ocean Shipment of Goods | <u> x </u> |
| 6. Procurement of Goods and Services | <u> x </u> |
| 7. AID Eligibility Rules for Goods and Services | <u> x </u> |
| 8. Subagreements | <u> x </u> |
| 9. Local Cost Financing with U.S. Dollars | <u> x </u> |
| 10. Patent Rights | <u> </u> |
| 11. Publications | <u> </u> |
| 12. Negotiated Indirect Cost Rates - Predetermined | <u> </u> |
| 13. Negotiated Indirect Cost Rates - Provisional | <u> x </u> |
| 14. Regulations Governing Employees | <u> x </u> |
| 15. Participant Training | <u> </u> |
| 16. Voluntary Population Planning | <u> </u> |
| 17. Protection of the Individual as a Research Subject | <u> </u> |
| 18. Care of Laboratory Animals | <u> </u> |
| 19. Government Furnished Excess Personal Property | <u> </u> |
| 20. Title to and Use of Property (Grantee Title) | <u> x </u> |
| 21. Title to and Care of Property (U.S. Government Title) | <u> </u> |
| 22. Title to and Care of Property (Cooperating Country Title) | <u> x </u> |
| 23. Cost Sharing (Matching) | <u> x </u> |
| 24. Use of Pouch Facilities | <u> x </u> |
| 25. Conversion of United States Dollars to Local Currency | <u> x </u> |

(INCLUDE THIS PAGE IN THE GRANT)

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OMB Approval No. 0412-0510
Expiration Date: 1/31/87

Payment - Letter of Credit (NOVEMBER 1985)

(This provision is applicable only when the following conditions are met: (i) the total advances under all the grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per annum, (ii) AID has, or expects to have, a continuing relationship with the grantee for at least one year; (iii) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof; (iv) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit, and Records" and, either (v) the foreign currency portion of the total advance under this grant is less than 50% or (vi) the foreign currency portion of the total advance under this grant is more than 50% but more than one foreign currency country is involved.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Financial Management, Program Accounting and Finance Division (M/FM/PAFD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAFD constitute payment conditions of this grant, superseding and taking precedence over any other provision of this grant concerning payment.

(c) Reporting:

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies to AID/M/FM/PAFD, Washington, D.C. 20523. If the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant to M/FM/PAFD. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to M/FM/PAFD, AID/Washington.

(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAFD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report all cash advances in the remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the grantee's field organizations shall be supported by short narrative explanations of actions taken by the grantee to reduce the excess balances.

(d) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/FM/PAFD after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. M/FM/PAFD shall provide the grant officer a copy of the revocation notice and a recommendation for an alternative method of payment (periodic advance or cost reimbursement) based upon the reasons for the revocation. The grant officer shall immediately amend this agreement to provide for an appropriate alternative method of payment. The recipient may appeal any such revocation to the grant officer.

(END OF STANDARD PROVISION)

AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

(This provision is applicable when any costs for air travel or transportation are included in the budget.)

(a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event at least three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the United States and/or its territories and one or more foreign countries.

(d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.

(e) U.S. flag air carrier service is considered available even though:

(1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;

(2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

(3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

(f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the United States being performed by foreign air carrier:

(1) U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(3) Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.), passenger service by U.S. flag air carrier will not be considered available:

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier:

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

(1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier

Including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(3) Where the travel is not part of a trip to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i). When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.

(k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. flag air carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows:

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS. I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s)." (State appropriate reason(s) as set forth above).

(1) International Travel

(1) As used herein, the term "international travel" means travel to all countries other than those within the home country of the traveler. Travel outside the United States includes travel to the U.S. Trust Territories of the Pacific Islands.

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S.

Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

(m) This provision will be included in all subgrants and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

OCEAN SHIPMENT OF GOODS (NOVEMBER 1985)

(This provision is applicable when goods purchased with funds provided under this grant are transported to cooperating countries on ocean vessels.)

(a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Division, Office of Acquisition and Assistance Management, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

"I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, D.C. 20590, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(END OF STANDARD PROVISION)

OMB Approval No. 0412-0510
Expiration Date 1/31/87

PROCUREMENT OF GOODS AND SERVICES (NOVEMBER 1985)

(This provision is applicable when goods or services are procured under the grant.)

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements listed below and the standard provision entitled "AID Eligibility Rules for Goods and Services."

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which AID funds are used, where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization in which the individual or the individual's immediate family or partners has a financial interest or with whom that individual is negotiating or has any arrangement concerning prospective employment. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order to be evaluated by the recipient. Any and all bids/offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:

(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical practical procurement.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand-name or equal" descriptions may be used as a means to define the performance of other salient requirements of a procurement and when so used the specific features of the named brand which must be met by bidders/offers shall be clearly specified.

(iii) Positive efforts shall be made by the recipients to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, the grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, AID, Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

(A) Brief general description and quantity of goods or services;

(B) Closing date for receiving quotations, proposals, or bids; and

(C) Address where solicitations or specifications can be obtained.

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(v) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

(vi) All proposed sole source contracts or where only one bid or proposal is received in which the aggregate expenditure is expected to exceed \$5,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of \$10,000 shall include the following:

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive bids or offers are not obtained;

(C) Basis for award cost or price.

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract shall contain, in addition to provisions to define a sound and complete contract, the following contract provisions, if applicable, as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where the U.S. Government or AID is mentioned the grantee's name shall be substituted.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

(4) All contracts awarded by the grantee or subgrantee to be performed in the United States having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of \$2,000 for construction or repair to be performed in the United States awarded by the grantee or subgrantee shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which that individual is otherwise entitled. The grantee shall report all suspected or reported violations to AID.

(6) When required by the Federal program legislation, all construction contracts to be performed in the United States awarded by the grantee or subgrantee of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to AID.

(7) Where applicable, all contracts awarded by the grantee or subgrantees in excess of \$2,000 for construction contracts to be performed in the United States and its territories and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to the worker's health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies of materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

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(8) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

(9) All negotiated contracts over \$10,000 awarded by the grantee shall include a provision to the effect that the grantee, AID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(10) Contracts in excess of \$100,000 to be performed in the United States shall contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401) and the Federal Water Pollution Control Act (40 CFR 15) as amended. Violations shall be reported to AID and the Regional Office of the Environmental Protection Agency.

(11) Contracts which require performance outside the United States shall contain a provision requiring Workmen's Compensation Insurance (42 U.S.C. 1651, et seq.). As a general rule, Department of Labor waivers will be obtained for persons employed outside the United States who are not United States citizens or residents provided adequate protection will be given such persons. The grantee should refer questions on this subject to the AID grant officer.

(END OF STANDARD PROVISION)

OMB Control No. 0412-0510
Expiration Date: 1/31/87

AID ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

(This provision is applicable when goods or services are procured under the grant.)

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement. AID's policy on ineligible and restricted goods and services is contained in Chapter 4 of AID Handbook 1, Supplement B, entitled "Procurement Policies".

(1) Ineligible Goods and Services. Under no circumstances shall the grantee procure any of the following under this grant:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this grant shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees under AID Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). AID will provide the grantee with a copy of this list upon request.

(3) Restricted Goods. The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers,
- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

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(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. AID policies and definitions on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, entitled "Procurement Policies".

(1) When the total procurement element during the life of this grant is valued at \$250,000 or less, the following rules apply:

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U. S. dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (A) The United States (AID Geographic code 000),
- (B) The Cooperating Country,
- (C) "Selected Free World" countries (AID Geographic Code 941), and
- (D) "Special Free World" countries (AID Geographic Code 935).

(ii) Application of Order of Preference: When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph b(1)(i) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (C) Impelling local political considerations precluded consideration of U.S. sources,
- (D) The goods or services were not available from U.S. sources, or
- (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

(2) When the total procurement element exceeds \$250,000, the following rule applies: Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U. S. dollars, shall be procured in and shipped from the U. S. (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant.

(c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to, and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U. S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U. S. with a company or companies authorized to do marine insurance business in the U. S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.

(e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) The United States (AID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (AID Geographic Code 941), and
- (4) "Special Free World" countries (AID Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

(END OF STANDARD PROVISION)

SUBAGREEMENTS (NOVEMBER 1965)

(This provision is applicable when subgrants or cooperative agreements are financed under the grant.)

(a) Funds provided under this grant shall not be used to support any subrecipient whose name appears on the AID Consolidated List of Debarred, Suspended, or Ineligible Awardees under AID Regulation U, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). AID will provide the grantee with a copy of this list upon request.

(b) All subagreements shall as a minimum contain, in addition to provisions to define a sound and complete agreement, the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where the U.S. Government is mentioned, the grantee's name will be substituted.

(1) Subagreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.

(2) All subagreements in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such subagreements shall describe conditions under which the subagreement may be terminated for default as well as conditions where the subagreement may be terminated because of circumstances beyond the control of the subrecipient.

(3) Subagreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or subagreements in the field of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the subagreement are subject to the regulations contained in the provisions of this grant. The subrecipient shall be advised as to the source of additional information regarding these matters.

(4) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, AID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(END OF STANDARD PROVISION)

LOCAL COST FINANCING WITH U.S. DOLLARS (NOVEMBER 1985)

(This Provision is applicable when local financing is authorized in the schedule of the grant and must then be used in conjunction with the standard provisions entitled "Procurement of Goods and Services" and "AID Eligibility Rules for Goods and Services".)

(a) Local cost financing is the use of appropriated U.S. dollars to finance the procurement of goods and services paid for with local currency in the cooperating country for furtherance of grant purposes. Local cost financing must be specifically authorized in the schedule of the grant. The amount of U.S. dollars which may be used must be specified in the authorization, together with any special restrictions on their use.

(b) Procurement of goods and services under local cost financing is subject to the restrictions listed in the grant provisions entitled "Procurement of Goods and Services" and "AID Eligibility Rules for Goods and Services."

(c) Authorization of local cost financing makes the cooperating country an eligible source for the purchase of goods or services. Goods or services purchased under local cost financing must be located in the cooperating country at the time they are purchased; they cannot be imported specifically for the project being implemented by this grant. The supplier from which goods or services are purchased under local cost financing must also be in the cooperating country. Suppliers of goods or services under local cost financing must meet the nationality eligibility tests prescribed in Chapter 5 of AID Handbook 1, Supplement B.

(d) Unless otherwise specifically authorized, the policies in Chapter 18 of AID Handbook 1, Supplement B are applicable to all local cost financing.

(END OF STANDARD PROVISION)

OMB Control No. 0412-0510

Expiration Date: 1/31/87

PUBLICATIONS (NOVEMBER 1985)

(This provision is applicable when publications are financed under the grant.)

- (a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.
- (b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.
- (c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant unless the schedule of the grant has identified the profits or royalties as program income.
- (d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

NEGOTIATED INDIRECT COST RATES - PROVISIONAL (NOVEMBER 1985)

(This provision is applicable to any organization which does not have predetermined indirect cost rate(s); however, it shall also be included when the NEGOTIATED INDIRECT COST RATES - PREDETERMINED standard provision is used.)

(a) A provisional indirect cost rate(s) shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate(s), the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the periods shown in the schedule of this grant.

(b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-86 proposed final indirect cost rate(s) and supporting cost data. In the event AID is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed final indirect cost rate(s) and supporting cost data to the AID Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Acquisition and Assistance Management, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of final indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles in effect on the date of this grant.

(d) The results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall specify (1) the agreed upon final rate(s), (2) the base(s) to which the rate(s) apply, and (3) the period for which the rate(s) apply. The indirect cost rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of final indirect cost rate(s) for any period, the grantee shall be reimbursed either at negotiated provisional rate(s) as provided above or at billing rate(s) acceptable to the grant officer, subject to appropriate adjustment when the final rate(s) for that period are established. To prevent substantial over or under payment, the provisional or billing rate(s) may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rate(s) provided in this standard provision shall be set forth in a modification to this grant.

(f) Any failure by the parties to agree on final rate(s) under this standard provision shall be considered a dispute within the meaning of the standard provision of this grant entitled "Disputes" and shall be disposed of in accordance therewith.

(END OF STANDARD PROVISION)

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REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

(The following applies to the grantee's employees who are not citizens of the cooperating country.)

(a) The grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.

(b) The sale of personal property or automobiles by grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission except as this may conflict with host government regulations.

(c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.

(d) The grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(e) In the event the conduct of any grantee employee is not in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the AID Mission Director and the employee involved and shall recommend to the grantee a course of action with regard to such employee.

(f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

(g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

(END OF STANDARD PROVISION)

TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (NOVEMBER 1985)

(This provision is applicable when the Government vests title to property in the grantee only.)

Title to all property financed under this grant shall vest in the grantee, subject to the following conditions:

(a) The grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the grantee under this provision under this grant or any other U.S. Government agreement, subagreement, contract, or subcontract.

(b) The grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

(1) Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

(2) Use of Real Property:

(i) The grantee shall use the real property for the authorized purpose of the project, as long as it is needed.

(ii) The grantee shall obtain approval from AID for the use of real property in other projects when the grantee determines that the property is no longer needed for the purpose of the original program. Use in other programs shall be limited to those under other federally sponsored programs (i.e., grants or other agreements) that have purposes consistent with those authorized for support by AID.

(3) Disposition of Real Property: When the real property is no longer needed as provided in (2) above, the grantee shall request disposition instructions from AID or its successor Federal sponsoring agency. AID or the successor Federal sponsoring agency shall observe the following rules in the disposition instructions:

(i) The grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original program to the fair market value of the property.

(ii) The grantee may be directed to sell the property under guidelines provided by the Federal sponsoring agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original program to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any,

from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(iii) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program to the current fair market value of the property.

(d) Nonexpendable Property:

(1) Nonexpendable personal property means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

(2) Use of Nonexpendable Personal Property:

(i) The grantee shall use the property in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal funds. When no longer needed for the original program, the grantee shall use the property in connection with its other federally sponsored activities in the following order of priority:

(A) Activities sponsored by AID.

(B) Activities sponsored by other Federal agencies.

(ii) Shared use - During the time that nonexempt nonexpendable personal property is held for use on the program for which it was acquired the grantee shall make it available for use on other programs if such other use will not interfere with the work on the program for which the property was originally acquired. First preference for such other use shall be given to other programs sponsored by AID; second preference shall be given to programs sponsored by other Federal agencies. User charges should be considered if appropriate.

(3) Disposition Of Nonexpendable Personal Property - With A Unit Acquisition Cost Of Less Than \$1,000: The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(4) Disposition Of Nonexpendable Personal Property With A Unit Acquisition Cost Of \$1,000 Or More:

(i) The grantee agrees to report such items to the grant officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(ii) The grantee may retain the property for other uses provided that compensation is made to AID or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from AID.

(iii) AID shall determine whether the property can be used to meet AID requirements. If no requirement exists within AID the availability of the property shall be reported to the General Services Administration by AID to determine whether a requirement for the property exists in other Federal agencies. AID shall issue instructions to the recipient no later than 120 days after the grantee's request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse AID an amount computed by applying to the sales proceeds that percentage of Federal participation in the cost of the original program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the recipient's participation in the cost of the original grant program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(C) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by AID for such costs incurred in its disposition.

(e) Expendable Personal Property:

(1) Expendable personal property means all tangible personal property other than nonexpendable property.

(2) The grantee shall use the expendable personal property for the authorized purpose of the grant program, as long as it is needed.

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

(f) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

- (1) Property records shall be maintained accurately and shall include:
 - (i) A description of the property.
 - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
 - (iii) Source of the property, including grant or other agreement number.
 - (iv) Whether title vests in the grantee or the Federal Government.
 - (v) Acquisition date and cost.
 - (vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.
 - (vii) Location, use, and condition of the property and the date the information was reported.
 - (viii) Unit acquisition cost.
 - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates AID for its share.

(2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records."

(3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.

(4) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(END OF STANDARD PROVISION)



TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (NOVEMBER 1985)

(This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the cooperating country government may designate.)

(a) Except as modified by the schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the grantee by AID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country may designate, unless title to specified types or classes of equipment is reserved to AID under provisions set forth in the schedule of this grant. All such property shall be under the custody and control of the grantee until the owner of title directs otherwise or completion of work under this grant or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the grant officer may prescribe as reasonably necessary for the protection of the Government property.

(c) The grantee shall prepare and establish a program, to be approved by the appropriate AID Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The grantee shall be guided by the following requirements:

(1) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of cooperating country property acquired or furnished under the grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of (insert name of cooperating country)."

(ii) The price of each item of property acquired or furnished under this grant.

(iii) The location of each item of property acquired or furnished under this grant.

(iv) A record of any usable components which are permanently removed from items of cooperating country property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the grant.

(vi) Date of order and receipt of any item acquired or furnished under the grant.

(vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this grant, the status of property acquired or furnished under this grant may be readily ascertained. A report of current status of all items of property acquired or furnished under the grant shall be submitted yearly concurrently with the annual report.

(2) Maintenance Program: The grantee's maintenance program shall be consistent with sound business practice, the terms of the grant, and provide for:

(i) disclosure of need for and the performance of preventive maintenance,

(ii) disclosure and reporting of need for capital type rehabilitation, and

(iii) recording of work accomplished under the program:

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The grantee's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of cooperating country property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss:

(1) The grantee shall not be liable for any loss of or damage to the cooperating country property, or for expenses incidental to such loss or damage except that the grantee shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the grantee's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the grantee's business, or all or substantially all of the grantee's operation at any one plant, laboratory, or separate location in which this grant is being performed;

(ii) Which results from a failure on the part of the grantee, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the grant officer under (b) above;

(iii) For which the grantee is otherwise responsible under the express terms designated in the schedule of this grant;

(iv) Which results from a risk expressly required to be insured under some other provision of this grant, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the grantee's liability under any one exception shall not be limited by any other exception.

(2) The grantee shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the cooperating country property, except to the extent that AID may have required the grantee to carry such insurance under any other provision of this grant.

(3) Upon the happening of loss or destruction of or damage to the cooperating country property, the grantee shall notify the grant officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the grant officer a statement of:

- (i) The lost, destroyed, or damaged cooperating country property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the cooperating country property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The grantee shall make repairs and renovations of the damaged cooperating country property or take such other action as the grant officer directs.

(5) In the event the grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse AID, as directed by the grant officer. The grantee shall do nothing to prejudice AID's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the grant officer, shall, at the Government's expense, furnish to AID all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

(e) Access: AID, and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.

(f) Final Accounting and Disposition of Cooperating Country Property: Within 90 days after completion of this grant, or at such other date as may be fixed by the grant officer, the grantee shall submit to the grant officer an inventory schedule covering all items of equipment, materials and supplies under the grantee's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this grant. The grantee shall also indicate what disposition has been made of such property.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)

COST SHARING (MATCHING) (NOVEMBER 1985)

(This provision is applicable when the recipient is required to cost share or provide a matching share.)

(a) For each year (or funding period) under this grant, the grantee agrees to expend from non-Federal funds an amount at least equal to the percentage of the total expenditures under this grant specified in the schedule of the grant. The schedule of this grant may also contain restrictions on the application of cost sharing (matching) funds. The schedule takes precedence over the terms of this provision.

(b) Eligibility of non-Federal funds applied to satisfy cost sharing (matching) requirements under this grant are set forth below:

(1) Charges incurred by the grantee as project costs. Not all charges require cash outlays by the grantee during the project period; examples are depreciation and use charges for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the grantee by other non-Federal public agencies (may include public international organizations or foreign governments) and institutions, and private organizations and individuals, and

(3) Project costs represented by services and real and personal property, or use thereof, donated by other non-Federal public agencies and institutions, and private organizations and individuals.

(c) All contributions, both cash and in-kind, shall be accepted as part of the grantee's cost sharing (matching) when such contributions meet all of the following criteria:

(1) Are verifiable from the grantee's records;

(2) Are not included as contributions for any other Federally assisted program;

(3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;

(4) Are types of charges that would be allowable under the applicable Federal cost principles;

(5) Are not paid by the Federal Government under another grant or agreement (unless the grant or agreement is authorized by Federal law to be used for cost sharing or matching);

(6) Are provided for in the approved budget when required by AID; and

(7) Conform to other provisions of this paragraph.

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(d) Values for grantee in-kind contributions will be established in accordance with the applicable Federal cost principles.

(e) Specific procedures for the grantee in establishing the value of in-kind contributions from non-Federal third parties are set forth below:

(1) Valuation of volunteer services: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program:

(i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the grantee's organization. In those instances in which the required skills are not found in the grantee's organization, rates should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.

(ii) Volunteers employed by other organizations: When an employer other than the grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided these services are of the same skill for which the employee is normally paid.

(2) Valuation of donated expendable personal property: Donated expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost share (match) should be reasonable and should not exceed the market value of the property at the time of the donation.

(3) Valuation of donated nonexpendable personal property, buildings, and land or use thereof:

(i) The method used for charging cost sharing or matching for donated nonexpendable personal property, buildings and land may differ according to the purpose of the grant as follows:

(A) If the purpose of the grant is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.

(B) If the purpose of the grant is to support activities that require the use of equipment, buildings, or land; depreciation or use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be allowed provided that AID has approved the charges.

(ii) The value of donated property will be determined in accordance with the usual accounting policies of the grantee with the following qualifications:

(A) Land and buildings: The value of donated land and buildings may not exceed its fair market value, at the time of donation to the grantee as established by an independent appraiser; and certified by a responsible official of the grantee.

(B) Nonexpendable personal property: The value of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.

(C) Use of space: The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

(D) Borrowed equipment: The value of borrowed equipment shall not exceed its fair rental value.

(f) The following requirements pertain to the grantee's supporting records for in-kind contributions from non-Federal third parties:

(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the grantee for its employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings and land must be documented.

(g) Individual expenditures do not have to be shared or matched provided that the total expenditures incurred during the year (or funding period) are shared or matched in accordance with the agreed upon percentage set forth in the schedule of the grant.

(h) If at the end of any year (or funding period) hereunder, the grantee has expended an amount of non-Federal funds less than the agreed upon percentage of total expenditures, the difference may be applied to reduce the amount of AID funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to AID.

(i) Failure to meet the cost sharing (matching) requirements set forth in paragraph (a) above shall be considered sufficient reasons for termination of this grant for cause in accordance with paragraph (a) entitled "For Cause" of the standard provision of this grant entitled "Termination and Suspension".

(j) The restrictions on the use of AID grant funds set forth in the standard provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. The grantee will account for the AID funds in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records".

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(k) Notwithstanding paragraph (b) of the standard provision of this grant entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from AID grant funds provided hereunder, the grantee may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph (b) of this provision.

(END OF STANDARD PROVISION)

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USE OF POUCH FACILITIES (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for AID grantees and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or AID Mission. In consideration of the use of pouch facilities, the grantee and its employees agree to indemnify and hold harmless, the Department of State and AID for loss or damage occurring in pouch transmission:

(1) Grantees and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to (a)(1) and (2) above sent by pouch should be addressed as follows:

Name of individual or organization (followed by
letter symbol "G")
Name of post (USAID/_____))
Agency for International Development
Washington, D.C. 20523

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) AID grantee personnel are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch, may, however, accept the grantee's official and personal mail for pouch, provided of course, adequate postage is affixed.

(b) The grantee shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or AID Mission.

(END OF STANDARD PROVISION)

CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

Upon arrival in the Cooperating Country, and from time to time as appropriate, the grantee's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the grantee and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

(END OF STANDARD PROVISION)